



## MESSAGE FROM THE SECRETARY



### THE SECRETARY OF VETERANS AFFAIRS WASHINGTON

November 15, 2016



To the President of the United States, President of the Senate, Speaker of the House of Representatives, and the President Pro Tempore of the Senate:

This report highlights the Department of Veterans Affairs' (VA) accomplishments and challenges in providing health care and benefits delivery to our Veterans according to our duty to care for those who "shall have borne the battle" and for their families. To accomplish this sacred mission, we provide timely access to earned health care and benefits for millions of Veterans. It is a responsibility that we do not take lightly.

During fiscal year (FY) 2016, VA made great strides towards reaching our goal to become the number one customer service agency in the Federal Government. To achieve this goal, we applied the best practices and standards of top customer-service businesses. We conceived and organized a transformation initiative called MyVA, because that's exactly how we want Veterans to see us—a VA they are proud to call their own. We are building a high-performing organization into an integrated, customer-centric enterprise by leveraging VA's vast scope and scale on behalf of every Veteran we serve.

This year, VA accomplished the launch of the Million Veteran Program, a new initiative designed to study how genes impact health, in order to improve care for Veterans by establishing one of the largest databases of genetic, military exposure, lifestyle, and health information. In addition, we increased access to care. In March 2016, Veterans set a record for completed appointments—5.3 million inside VA, which is 730,000 more than March 2014; and VA issued 268,000 authorizations for Care in the Community—twice as many as in March 2014. In September 2016, VA completed 96.49 percent of appointments within 30 days of the clinically indicated or Veteran's preferred date; 90.78 percent within 14 days; 85.18 percent within 7 days; and 22.25 percent are actually completed on the same day. We are working to ensure that by the end of the calendar year 2016, Veterans will receive same-day services in primary care and mental health at all Veterans Health Administration (VHA) medical centers. As of September 30, 2016, 52 medical centers provided same-day services, and VHA is expected to attain these same-day service capabilities in 87 medical centers by the end of October 2016.

For the seventh year in a row, the Veterans Benefits Administration completed more than 1 million disability compensation rating claims. We have reduced pending claims (those over 125 days) by almost 90 percent, and the average wait time to complete a claim has dropped by 65 percent to 123 days. We paid insurance death claims in an average of 4 days with 100 percent accuracy. We distributed nearly \$68 billion in Post-9/11 GI Bill benefits to 1.67 million Veterans and their dependents, since 2009. Additionally, we guaranteed 707,000 home loans and helped a record 97,000 Veterans avoid foreclosure, maintaining one of the lowest foreclosure rates in the industry.



The National Cemetery Administration continued implementation of new burial access policies that underpin the largest expansion of national cemeteries since the Civil War. Omaha and Cape Canaveral National Cemeteries were dedicated in 2016, which serve 280,000 Veterans and their families. VA also issued its 100th grant to open a state Veterans cemetery in Arizona. VA now serves 91.7% of the Veteran population (approximately 20 million Veterans) with convenient burial access. This year, VA interred 130,488 Veterans and eligible family members; cared for 3.6 million gravesites; maintained nearly 9,000 developed acres; processed 365,179 headstone and marker applications for cemeteries throughout the world; and produced 689,587 Presidential Memorial Certificates. To enhance Veterans' memorialization, VA launched the Veterans Legacy Program on Memorial Day. This initiative uses national cemeteries as educational platforms that connect Veterans' stories to educational themes.

In addition to these Veteran-facing improvements, VA recently selected the United States Department of Agriculture (USDA) as our Federal Shared Service Provider to provide a modern financial management solution with standardized business processes and reporting capabilities. Partnering with USDA allows VA to use an established and proven information technology solution to better serve its financial management needs. This partnership demonstrates VA's commitment to work with other agency partners to reduce duplication and redundancy across the government, while also improving both the quality and agility of administrative services. This effort will continue to increase the transparency, accuracy, timeliness and reliability of VA's financial information as a top FY 2017 VA Priority.

CliftonLarsonAllen (CLA), an independent public accounting firm, reviewed our financial statements and provided an unmodified opinion for the 18th consecutive year; thus, demonstrating our successful efforts to ensure that taxpayer resources are used effectively and efficiently in support of Veterans and their families. Although VA received an unmodified audit opinion, we must continue to improve our financial management in FY 2017, as CLA identified a number of areas that require improvement within our Department.

Based on internal evaluations, I can provide reasonable assurance that the financial and performance information contained in this report is complete, reliable and accurately describes VA results for FY 2016. The Agency Performance Plan and Report, due in February 2017, will contain more detail on VA's performance measures.

Caring for our Nation's Veterans is the highest honor and privilege for the men and women who serve VA. I thank you for your consideration of our annual report and appreciate your continued support of our mission.

Sincerely,

A handwritten signature in blue ink, reading "Robert A. McDonald".

Robert A. McDonald

Enclosure